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SIPDIS

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TAGS: PHUM ICRC IZ

SUBJECT: ICRC REGRETS DYSFUNCTION AND POSSIBLE CORRUPTION
IN THE IRAQ RED CRESCENT ORGANIZATION

Classified By: Deputy Chief of Mission Patricia A. Butenis for reasons
1.4(b) and (d).

¶1. (C) Senior Refugee Coordinator met with ICRC Iraq Head of Delegation Juan Pedro Schaeerer and Delegate Bryan Tisdall in Amman June 17 to discuss ICRC's difficult relations with the Iraq Red Crescent Organization. Schaeerer noted that he had met with IRCO President Dr. Said al Hakki on June 11 in Baghdad in an effort to break the ice. He described their lunch as largely non-substantive. Hakki's one apparent nod to ICRC's mandate was to acknowledge ICRC's unique role with regard to detainees. But following the meeting, Hakki requested a meeting with MNF-I's ICRC liaison to discuss issues related to detainees and families. That meeting is pending.

¶2. (C) Schaeerer expressed great concern about the damage that IRCO leadership was inflicting on the organization and the resulting sectarianism in what had been one of Iraq's last non-sectarian national organizations. Schaeerer noted the corruption allegations against Hakki, the arrest of IRCO VP Jamal Karbouli two months ago and his subsequent exile to Jordan and the long term presence of Second VP Adnan al Kadami in Dubai.

¶3. (C) Schaeerer stated that he had deflected Hakki's attempt to force ICRC to operate in Iraq via IRCO. Hakki had gotten VFM Hamoud to write a note directing ICRC to work through IRCO. Schaeerer subsequently took up the matter with Hamoud, who backed off, stating that if ICRC could not work with IRCO, so be it. Schaeerer said that ICRC had minimized its cooperation with IRCO to very limited distribution of humanitarian relief items via branches in Basra and Mosul during recent security operations and to family tracing activity, which IRCO HQ continues to manage effectively. ICRC provides no funds to IRCO. Other UN organizations, however, such as UNICEF and WFP are working with IRCO on humanitarian assistance. UNICEF intermittently contracts use of IRCO branch office staff to implement quick impact projects and reimburses the branches directly for their services. WFP compensates IRCO HQ for services it provides in distributing relief supplies, a standard practice internationally. IRCO distributes foods for WFP in five Iraqi governorates. WFP compensates IRCO at the rate of \$100 per ton, which based on expected deliveries, should amount to \$4 million in 2008. So far, however, WFP has only paid IRCO \$100,000. ICRC and another UN agency in Amman informed us that Dr. Hakki had requested via private email, that WFP deposit funds due to IRCO in an account at the National Bank of Abu Dhabi. (Swift NBADAEAAKHF; #6200309356) WFP reportedly viewed this request for offshore payment as highly irregular and had no intention of making payments to it.

¶4. (C) IRCO's main source of funding appears to be two appropriations from the GOI. According to the chair of the Council of Representatives Displacement Committee, IRCO

received USD 83 million in the 2008 annual budget and USD 25 million in a supplemental. IRCO also receives some funding from other national societies via the International Federation of the Red Cross. Hakki told ICRC that IRCO was not in need of funding. Schaeerer commented that Hakki/IRCO was paying the Carmen Group in Washington \$80,000 per month to lobby Congress for funding on his/its behalf. Schaeerer said he planned to raise his concerns about IRCO with Hakki and was contemplating raising with the GOI, given the latter's responsibility to ensure that IRCO's use of GOI appropriations complies with Iraqi law.

CROCKER